U.S. DEPARTMENT OF STATE
Bureau of Oceans, Environment and Science

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FACT SHEET

Asia-Pacific Partnership on Clean Development and Climate

Buildings and Appliances Task Force
Summary of Action Plan and Projects

The Asia-Pacific Partnership on Clean Development and Climate is a unique public-private initiative among government and private sector partners from Australia, China, India, Japan, the Republic of Republic of Korea and the United States. In remarks delivered to experts representing all Partner nations gathered at the American Electric Power facility in Columbus, Ohio, Under Secretary of State for Democracy and Global Affairs Paula Dobriansky today announced that the Partnership has begun a new implementation phase with the start of a series of multifaceted programs designed to promote cleaner, cost-effective energy technologies and practices among the Partner nations. The Partnership is identifying policies and deploying technologies that reduce greenhouse gas emissions, promote healthier air quality, advance sustained economic growth, and reduce poverty. It is now embarking on implementing voluntary practical measures to create new investment opportunities, build local capacity, and improve economic and energy security. The Partnership involves countries that account for about half of the world's population and more than half of the world's economy and energy use.

Summary of Buildings and Appliances Task Force Action Plan

The buildings and appliances sectors combined use between 20-40 percent of total primary energy in Partner countries. For this reason, the Buildings and Appliances Task Force (BATF) holds tremendous opportunity to make a sizeable impact on reducing global energy demand by addressing the energy efficiency of buildings where people work and live along with furthering improvements on key elements of mass-produced energy-consuming equipment used in buildings.

The BATF is working on 10 initial activities under eight project areas to reduce building energy consumption by decreasing the power demand of appliances, office and consumer electronics, and lighting.

Sharing Best Practices

As the information age has proven, collaboration through information-sharing is key to reaching any organization's goals. In this light, the BATF intends to disseminate information across Partner and non-Partner nations on policy/program successes, energy-efficient technologies, and lessons learned. One such information-sharing project involves training public and private sector

building owners/managers on low-cost measures to improve energy efficiency of existing buildings in China. To improve the depth and breadth of information-sharing, the BATF plans to create new or enhanced existing international and country-based information networks through which continuing improvements of environmental performance in the buildings and appliances sectors can be distributed.

Transforming Markets to be Energy Efficient

An important objective outlined by the BATF is to use their information-sharing efforts as a catalyst to market transformation. Several of the projects endorsed by the Task Force utilize market-oriented policies and programs, such as voluntary labeling and recognition programs for efficient products, utility rebates and tax incentives to both consumers and manufacturers, and aggregating buyer demand to create a market-pull for energy efficient products. By exchanging Partner country experiences with these policies and programs, the Task Force will facilitate changes in their domestic markets to increase the penetration of energy efficient products. Additionally, Partner countries will work together on projects that overcome barriers that inhibit the wider uptake of energy efficient technologies and practices.

Facilitating Investment in Energy Efficiency

Energy efficiency can often be realized at no net cost (and even with a net economic benefit) to the economy as a whole. Surplus savings from energy efficiency can create financing to support further investments in even lower-emission supply technologies. This is achievable where energy efficiency measures address market barriers to efficient energy management, common in sectors where energy use is a relatively small part of the expenditure and the impetus for action is limited.

Summary of Buildings and Appliances Task Force Projects

Project 1. **Appliances - Harmonization of Test Procedures**

In an effort to eliminate a major barrier to developing successful standards and labeling programs, this project works to compose harmonized test procedures among Partner countries, such as common methods of testing and gauging energy performance of selected appliances. The goal of this project is to encourage the growth of international markets for more energy-efficient products and new energy-saving technologies by reducing the burden and discouragement of multiple tests to manufacturers. The project, led by Australia, Japan, the Republic of Korea, and the United States, includes an evaluation of existing test procedures followed by revisions and/or the development of new testing measures.

Project 2. **Appliances - Standby Power**

The International Energy Agency has reported that, in the absence of significant policy action, standby power in the Partner countries could be around 375 trillion watt-hours per year (TWh/year) of household electricity consumption in 2030. If coordinated policy actions

transpire, the standby power might be reduced to 100 TWh/year. Put in relative terms, in 2030, the energy savings from a coordinated policy action would equate to the total projected electricity consumption of Australia and would avoid the production of more than 140 million metric tons per year of greenhouse gas emissions. In this project, Australia, China, India, the Republic of Korea, and the United States will build on existing national and international initiatives and focus on better understanding market trends and cost-effective technical opportunities to reduce standby power levels in a range of devices. It also encourages actions by each country to accelerate market acceptance of new energy conserving technologies that can help reduce unnecessary standby power.

Project 3. **Appliances - Market Transformation**

In an effort to encourage market transformation, Partner countries with a wide-range of market-oriented policies/programs dealing with energy-efficient appliances intend to share experiences to extract lessons learned and highlight best practices. Areas of focus include, but are not limited to, voluntary labeling and recognition programs for energy-efficient products, utility rebates and tax incentives to both consumers and manufacturers, training and information campaigns, and combing buyer demand (e.g. by government agencies) to create a "market-pull" for energy-efficient products. Through this project all Partners are committed to reduce energy consumption and its environmental burdens by assisting private companies to innovate and make the production of energy-efficient products economically viable. Partner nation will also work to facilitate the penetration of energy-efficient products within their domestic markets.

Project 4. **Buildings - Building Certification**

Energy labeling is a key mechanism for ensuring effective energy-saving management and has a broad, positive and important effect on economy-wide energy savings. In order to overcome institutional, market and other barriers to building certification, the six Partner countries intend to collect information on current certification activities, promote their use, and work toward strengthening their efficacy in generating energy-savings. The energy evaluation and labeling of buildings will not only demonstrate their potential to save energy but also improve market transparency, which can be a catalyst for greater energy efficiency in buildings.

Project 5. **Buildings - Improvements to Existing Buildings**

This project aims to employ best practice and market transformation strategies to improve energy efficiency in existing commercial and residential buildings. This approach exploits the abundant opportunities that exist to cost-effectively make energy-saving improvements by sharing Partner countries experiences and implementing proven program approaches. In this project, Partner countries Australia, China, India, Japan, and the United States anticipate that buildings will achieve measurable energy savings as governments initiate and/or enhance policies and programs to advance energy efficiency improvements in the areas of project focus, and barriers to the installation of more efficient heating, ventilation, and air conditioning equipment will be overcome.

Project 6. **Buildings - Building Codes**

Building codes can help maximize energy conservation in buildings through application of available technologies and policies. For this project, China, India, Japan, and the Republic of Korea will work together to allow Partner countries to exchange information on building codes and related issues, such as policy systems, evaluation and rating systems, and lessons learned through implementation. These actions will build a foundation to develop new markets by reducing the amount of time and expenditures necessary to improve codes, enhancing international trade of building materials and systems, and improving international cooperation between building-related companies.

Project 7. **Buildings - High-Performance Buildings & Development**

The project aims to increase the proportion of new buildings and developments that incorporate cost-effective measures. The project participants—Australia, China, India, Japan, and the United States—will collect and disseminate verified technical and economic information in a common framework. This information will be provided to Partner nations for use in building projects, policy initiatives and demonstrations. The Partnership anticipates reduced energy consumption on peak electricity demand and associated CO_2 emissions through the incorporation of improved building practices, building materials, equipment, controls and ongoing management, and better disaster resistance in buildings (e.g., lower mortality and property losses).

Project 8. **Buildings - Utility Regulation and Incentives**

Electric and gas utilities have enormous opportunities to finance and deliver energy efficient technology and services to their customers and end-users. Financial incentives or regulatory imperatives are critical for encouraging utility companies to take up these efficiency measures. Australia, India, Japan, the Republic of Korea, and the United States will work in a number of areas to address this issue, e.g., identifying and sharing successful models of innovative approaches for overcoming barriers to utility financing and implementation of energy efficiency programs. This work will allow utility companies to shift a greater fraction of their resources to financing and implementation of energy efficiency in buildings. It will also allow them to play an expanded role as a delivery mechanism for energy efficient appliances, equipment, and services to residential and commercial customers.

Project 9. **Buildings - Enabling Mechanisms**

Overcoming barriers that inhibit the wider uptake of otherwise commercial energy efficiency actions can be achieved through promoting key underlying “smart” technologies and working to more effectively allocate incentives and responsibilities for improved energy management. Enabling mechanisms increase demand for energy-efficient buildings and appliances as well as providing innovative market approaches to achieving energy efficiency, greenhouse gas reductions, and broader sustainability. In this project, Australia, India, Japan, the Republic of Korea, and the United States will focus on two key enabling mechanisms: residential “smart systems” for improved information and load control; and commercial building “green leases” to help overcome the tenant-landlord split incentive barrier to improved energy management.

Project 10. **Buildings - Commercial Financing**

This project aims to facilitate increased levels of private investment in building energy-efficiency projects. Australia, India, Japan, the Republic of Korea, and the United States will identify and share successful model approaches to remove barriers to private financing and contracting for energy efficiency investment. Partner countries will also voluntarily identify and implement joint projects to remove barriers. The project will provide an inventory of successful approaches, including assessments of effectiveness and energy savings performance contracting, which are expected to result in increases in private company offerings of energy efficiency services, private investment in energy efficiency investors and volume of equity.